



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ**

June 9, 2011

MINUTES

- PRESENT:** Gunnar Buzzard, Chairman
John Washington, Vice-Chairman
William Bergdoll
Ken Casey
Michael Goode
William Schuckert
Lois Yates
- STAFF:** Clifford Frey, Assistant City Attorney
Shannon Johnson, Management Analyst
Gary P. Mascaro, Aviation Director
Kate O'Malley, Planning & Outreach Coordinator
Chris Read, Airport Operations Manager
- OTHERS:** Scott Gibney, Southwest Jet
Jim Houtz, Southwest Jet
Don Maxwell, Southwest Jet
John Meyer, SNAPOA
Greg Ross, Ross Aviation
Jeff Schlueter, Southwest Jet
Tommy Walker, Scottsdale Air Center
Matthew Wright, Landmark Aviation

CALL TO ORDER

Chairman Buzzard called the meeting to order at 6:02 p.m.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above.

AVIATION DIRECTOR'S REPORT

Mr. Gary Mascaro, Aviation Director, reported that he just returned from the FAA Western Pacific Region conference. He had the opportunity to spend one on one time with Kate Lang, Associate Administrator for Airports.

APPROVAL OF MINUTES

1. Approval of Minutes

Regular Meeting: May 11, 2011

Vice Chairman Washington made a motion to approve the regular meeting minutes of the May 11, 2011 meeting. Commissioner Goode seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

None noted.

REGULAR AGENDA

Chairman Buzzard welcomed members of the City of Glendale to the meeting.

Noting that people may have strong feelings on the first agenda item in particular, he reminded everyone that they are expected to conduct themselves with decorum.

1. Discussion and Possible Action to Adopt Resolution No. 8721 and Ordinance No. 3950 amending Chapter 5, Aviation, of the Scottsdale Revised Code, Airport Rules and Regulations, Airport Minimum Operating Standards, Airpark Rules and Regulations, Airpark Minimum Operating Standards and the modification of the Airport's primary guiding documents to help foster the long-term economic health and enhance the safe operating environment at the Airport/Airpark.

Mr. Mascaro gave an overview of the regulatory rewrite process and its substance.

Vice Chairman Washington asked whether the Commission would be able to discuss this further if there were questions that they did not feel were answered satisfactorily. Mr. Mascaro said the Commission does not have to make a recommendation tonight.

Commissioner Bergdoll asked how staff had derived the recommended margin of 25 cents per gallon above cost. Mr. Mascaro said he consulted with Airport operators

who pump the most fuel and the least fuel. The goal of the charge is to cover operating costs. The revenue and profit to be made from operating should be through hangar rental rates. The two FBO operators support this concept. For staff the ease of auditing is the most important aspect.

Commissioner Casey thanked the Airport and City staff for their efforts with the regulatory rewrite.

Commissioner Schuckert said they are very close to finalizing the rewrite and hoped that everyone would continue in a spirit of cooperation.

Chairman Buzzard asked whether any significant issues had come up with regards to Section 2-2.1 regarding aircraft painting and maintenance. Mr. Mascaro confirmed that there had not. The rules were clarified and made more enforceable by taking them out of the general aviation handbook and including them with the other rules and regulations.

Chairman Buzzard inquired about the deletion of Section 209 regarding scheduled passenger service. Mr. Mascaro said it can be added back in if necessary should this come up again.

Chairman Buzzard asked whether there are any lingering issues regarding Section 208, Aircraft Maintenance. Mr. Mascaro said the proposed changes make it abundantly clear that all operators who conduct maintenance or repair services are allowed to operate in the Airpark.

Mr. Mascaro explained to Chairman Buzzard that the prohibition on mobile fuel trucks only applies to the Airpark. No one at the Airpark has ever actually used a mobile fuel truck.

Chairman Buzzard asked what would happen if the City or the FAA wanted to call for an audit. Mr. Mascaro said this is part of any contract a tenant would have with the City. Several audits have been performed over the years. Chairman Buzzard asked how much time the business would have to prepare for the audit. Mr. Frey of the City Attorney's Office said he could email that information to the Commission tomorrow.

Chairman Buzzard invited public comment.

Mr. Tommy Walker, Scottsdale Air Center, expressed support for the proposal to sell fuel for cost plus 25 cents per gallon.

Mr. Greg Ross, Ross Aviation, owner of Scottsdale Air Center, concurred. He noted that the company made their investment in reliance upon the terms and conditions of the ground lease, which ensured that they would not be competing with other companies that would be selling fuel for less because they had not made the same kind of investment. They do not like that Airpark operators are allowed to lease space to non owned aircraft and sell fuel to them. However if their ability to compete fairly is threatened, the company will take action as it deems necessary. He appreciated Mr. Mascaro's hard work and the efforts of everyone on the Commission.

Chairman Buzzard asked whether either Mr. Walker or Mr. Ross could cite a case where Scottsdale Air Center had won or lost business from an Airpark operator. Mr. Ross said they lost Pinnacle Jet after months of negotiations. Aero Jet was a tenant for several years and they have moved to the Airpark. He added that the Air Center was not able to compete at the same price level.

Commissioner Casey asked why they would want the Airpark operators to be regulated to keep their fuel prices down. Mr. Ross said that their company had to comply with the Airport's minimum standards, which required a huge capital investment. They are required to operate 24/7 and their operating costs are much higher than the operators in the Airpark.

Mr. Matthew Wright of Landmark Aviation supported the changes discussed by Mr. Mascaro. Allowing Airpark tenants to sell fuel as a commercial activity would likely put the Airport in violation of obligations to the FAA. This could endanger the Airport's ability to receive Federal funding in the future.

Mr. Jeff Schlueter of Southwest Jet Corporate Zone supported most of the proposed changes to the rules and regulations. However with respect to Section 5-11.8 of the Airpark rules and regulations, he opined that Airpark facilities should have the right to charge any price they want for goods and services. He assured the Commission that his company is opposed to anything that could negatively affect the Airport. He claimed that the FBOs are able to monopolize fuel sales while their own hangar and fuel sales are limited to the number of aircraft that can fit into their hangar. The FBOs sell 70 percent of the fuel at the Airpark. The remaining 30 percent of sales is split among the 27 operations at the Airpark. He did not feel that this situation could lead to economic discrimination against the FBOs, as the fuel prices charged in the Airpark have no bearing on their business.

Chairman Buzzard asked whether his company has won or lost business vis-à-vis the FBOs. Mr. Schlueter replied that they have both won and lost business.

Mr. Scott Gibney, an accountant with Southwest Jet Corporate Center, discussed the effects of the proposed change to the regulations. He said that regulating the cost of fuel would reduce the future value of the properties in the Airpark. He estimated that Southwest's property would be reduced in value by \$2 million.

Commissioner Goode asked about the existing regulations regarding fuel sales. Mr. Mascaro confirmed that there has been an informal agreement that allowed operators to charge more than the wholesale cost of fuel. The City's position is that operators are not permitted to sell fuel for profit.

Commissioner Goode told Mr. Gibney that he was confused; how could the property values go down as a result of the proposed change in regulations if sales for profit were not allowed? Mr. Gibney replied that 12 years ago when the company made its initial investment the rule was that they could not sell fuel to transients. The property value is based on the historic profitability of the corporate center. If the proposal is adopted it is his belief that the value could drop by \$2 million. For the past 12 years they have made an average of 55 cents per gallon.

Vice Chairman Washington commented that this discussion raises the matter of Proposition 207. Mr. Frey did not believe that it would apply in this situation.

Commissioner Casey asked how moving the proposed expense to a different profit center would affect the bottom line. Mr. Gibney said it would affect the taxes payable to the City. They would need to raise hangar rents. People who are looking for a place to garage their aircraft and who use little fuel would likely leave.

Commissioner Bergdoll asked Mr. Gibney whether the proposed 25 cent surcharge would cover Southwest's costs. Mr. Gibney said the last time he looked at this was in 2009 and it cost 43 cents to cover their costs at that time, factoring in all their expenses.

Mr. Jim Houtz of Southwest Jet asked how many of the Commissioners have read Article 22 in the grants section. He said this says nothing about fuel prices, arguing that an upload fee of 25 cents is not in the City's best interests. Each hangar operator should be allowed to establish their own selling price. The drop in property values in the Airpark would be an unintended consequence of passing this regulation. Having the City set an upload amount for fuel is price fixing. Free enterprise has been responsible for the growth of the Airport business community. He added that competition in the Airpark has always been fierce, which is good for customers. Mr. Houtz pointed out that a drop in property values would impact a business's ability to obtain bank loans. He said that the FAA rules do not address fuel sales, and this is a fictitious issue which is being used to intimidate Airpark operators. He argued that if there is any economic discrimination currently it is in fact against the Airpark operators.

Commissioner Goode asked Mr. Frey to explain why his interpretation of Rule 22 differs from Mr. Houtz's. Mr. Frey said he has read the grant assurances, Rule 22, and some director's determinations, which is like case law. The FAA's goal is not to protect through the fence operations. Their interest is in protecting the Airport. Through the fence operations are secondary.

Chairman Buzzard asked Mr. Houtz why the regulations were established in their current form. Mr. Houtz said he has been at the Airpark for the past 12 years. He recalled a clause in the fuel regulations that there would be no retail sales in the Airpark. They asked every Airport Director what this meant and were told that they could not sell fuel to transient aircraft or to other planes in the Airpark outside of their own hangar. No one has ever complained about their rates, which are set out in their contract with the City. Hitherto, they have never been told that they could only sell fuel at cost. He opined that if this rule is passed the Airpark could be converted to a vegetable garden, since an aviation business would not be able to get a fair return.

Chairman Buzzard asked him about his estimates. Mr. Houtz said there are 33 operators. Many have just one or two planes hangared. These people are probably not interested in economic return, they just need a place to garage their aircraft. The operators with three or four or more aircraft are investors looking for economic returns. Their experience with eight to ten aircraft was that 25 cents would not cover their costs.

Chairman Buzzard asked how much of an upload fee would cover their costs. Mr. Houtz said he would be glad to answer that question in a closed session with City Council. Southwest wants to be open but has to protect themselves from their competition.

Mr. Don Maxwell of Southwest Jet congratulated the Commission and Airport staff for undertaking the tremendous job of the regulatory rewrite. Recalling his time on the Commission, he said he has been with the Airport since it started. He challenged the notion that FAA regulations say that one cannot make a profit. He challenged them to obtain a written statement from the FAA to clarify this point. He argued that setting an upload fee of 25 cents is price fixing. He distributed a printout from the internet showing fuel prices of 13 airports within 50 miles of Scottsdale. There is a variation of almost \$2; the FBOs are charging more than anybody else.

Mr. Maxwell pointed out that Congress this week decided they would not set a cap on what banks charge for debit card transactions. He argued that allowing the Airpark fuel farms is not hurting anybody. The Airpark is the economic engine that drives Scottsdale.

Mr. John Meyer of SNAPOA (Scottsdale North Airport Property Owners Association) outlined the property owners represented by his organization. Referencing his recent experience as an expert witness for a plaintiff in a lawsuit brought against another local airport, he told the meeting he has recently reviewed the FAA regulations intensively. He found the Airport Compliance Manual to be silent on through the fence issues relating to airport fuelling.

Mr. Meyer said the operating costs of fuel farms vary. However it is close to 40 cents. He pointed out that their leases all include details regarding operating fees, so if the 25 cent upload fee is enacted, all of the leases will have to be renegotiated, which will be a huge burden. The SNAPOA Board recommends not approving this regulation. In place of that SNAPOA would suggest that the property owner can recover the cost of the fuel farm.

Commissioner Goode asked how he would propose that the operators calculate cost recovery. Mr. Meyer said it would be different for each one and he believes it would have to be an honor system. It could be 40 or 45 cents per gallon.

Vice Chairman Washington asked if he was suggesting that this be a fixed cost for each operator. Mr. Meyer said he likes the way the rewrite does away with unnecessary paperwork. He would hate to see extra work. The people in the Airpark and Airport are honorable people. He recalled beginning at the Airport in 1980 as the Vice President and General Manager of Corporate Jets, now Landmark, so he is sympathetic to the needs of the FBOs. They have one of the best airport/airparks in the country. He opined that they need to keep on in a way that makes sense for everyone. Restricting and capping will not work in today's economy.

Commissioner Casey asked whether older fuel farms are more expensive to operate. Mr. Meyer replied that this is true.

Chairman Buzzard asked him whether the smaller operators would be less affected than the bigger ones. Mr. Meyer said investors want to see a return on their fuel farm and minimize operating expenses.

Commissioner Yates asked whether the older fuel farms had been set up to service single users, such as the fleet that Discount Tire had. Now that business model has morphed. Mr. Meyer said the majority of the older fuel farms are still serving single

users. He said it is crucial that Scottsdale Airport get this right. Feelings on this topic are running high. If the FAA grandfathers in the existing fuel farms it would be good for the Airport.

In response to a question by Commissioner Goode, Mr. Meyer said that an upload charge of 25 cents will not cover the operators' costs. SNAPOA members are unanimous that the amount should not be fixed. Commissioner Goode asked whether his model has any profit built into it. Mr. Meyer stated that the fuel farm operators do not feel that any restrictions should be placed on the fuel farms. They accept not selling to transients. There are so many variables that it would be better to set guidelines to handle it, rather than fixing a dollar amount.

Chairman Buzzard closed public testimony.

Mr. Mascaro stated that this issue arose in the late 1990s. At that time zoning regulations determined what activities could take place in the Airpark. Fuelling for profit was not allowed. He reviewed the history of when Southwest Jet came to the Airport, describing the arrangements that were set up for the Airpark at that time as a compromise. Operators in the Airpark were to pay five percent of gross hangar services sales, whereas the FBOs at the Airport pay 2.5 percent because they also pay rent to the City and invest in development. Chapter 12 of the FAA Airport Compliance Manual discusses this. The City wants to support the Airpark but if it creates a competitive advantage to the Airpark, the Airport could be in trouble.

In response to speakers' assertions that the FAA says nothing about fuel sales, Mr. Mascaro clarified that the Manual states that "As a general principle, the regional divisions should not support sponsor requests to enter into any agreements that grant through the fence access to the airfield for aeronautical businesses that would compete with an on-airport aeronautical service provider such as an FBO." He summarized that the City's position is to protect the grant assurances to ensure Federal funding. Ultimately it will be up to the Commission and City Council to make the determination.

In 1999 all the operators in the Airport and Airpark agreed to the compromise. The staff's position was that fuel farms were adding a surcharge on to the cost of fuel to cover their operating expenses, not to make a profit. In 2003 and 2004 the former Aviation Director Scott Gray drafted a letter because an issue arose concerning tax on jet fuel sales. The FBOs are remitting this as part of their retail sales tax. Unfortunately nothing was ever resolved at the time. He stressed that the City is not telling any of the Airpark operators that they cannot make money. All the City is saying, is if they are selling fuel for a profit, this could trigger an FAA violation, as this could be a competitive advantage. It was suggested to the Airpark operators that they raise hangar rentals to avoid selling fuel for profit, which would require them to also charge the jet fuel tax.

Mr. Mascaro explained that his job is to enforce the rules, citing the situation at Glendale Airport, which they want to avoid. At the same time he recognizes that the Airpark operators need to recover their costs. In extensive conversations with fuel farm operators, they had told him that for the most part they could cover their costs with an upload charge of about 25 cents. Staff's goal was to try and make it easy and simple for the operators to recover some of their operating costs. The intent of the rules has always been that they would make a profit from hangar operations.

Noting he had discussions with Mr. Meyer of SNAPOA, Mr. Mascaro said one difficulty is how operators can recover from major unscheduled maintenance expenses, such as a pipeline blowing. He does not have a problem with the fuel farm operator assessing a repair fee to the users, but it cannot be recouped by raising the price of jet fuel. His concern is to be able to audit the operators.

Commissioner Bergdoll asked whether any other airports are in this situation. Mr. Mascaro said that at Deer Valley, they adapted Scottsdale's rules.

Commissioner Yates observed that it is disappointing to her that the FBOs are threatening to complain to the FAA. It is also disappointing that in the past the City has turned a blind eye and allowed this situation to go on.

Chairman Buzzard hoped a compromise can be found.

Commissioner Goode inquired whether anything had been mentioned informally to the FAA. Mr. Mascaro said it had not. The precedent was set in 1999. He believed the FAA would have concerns about competing with the FBOs.

Vice-Chairman Washington said ten years ago these issues had not been effectively dealt with. He feels it is a mistake to get into defining profit because there will be tax code ramifications. He respects the FBOs' position. He agreed with Mr. Meyer that he did not see the concerns in the compliance manual that Mr. Mascaro referenced. He pointed out that the Manual says "may" result in a competitive disadvantage. He agreed with Commissioner Casey that a huge amount of work has been done and it is a shame that they are now hung up on this point. He suggested that the Commission may need to forward the rest of the package to City Council and revisit this issue. The fact that only one company is now complaining does not lessen the problem.

Mr. Mascaro said there are three possibilities: keep the status quo, allow the Airpark operators to sell whatever fuel they want, or try to find a middle ground solution that would enable them to recover their costs. He said the City is nervous about selling fuel for a profit. The other two could be implemented. He said the compromise was not his first idea, which was to leave it alone. He suggested this would be a topic for the Commission to discuss.

Vice-Chairman Washington suggested that the City should not dictate how businesses do their accounting. He said he cannot understand how charging less than the FBOs creates an unfair advantage.

Mr. Frey agreed that the Compliance Manual does not mention fuelling specifically. However reading the grant assurances as a whole and some of the director's determinations, he came to the conclusion that the City's first obligation is to protect the Airport. Without the Airport, the Airpark has no value. He concluded that the intent was that fueling in the Airpark was supposed to be for aircraft based there. He felt uncomfortable that the City had allowed this to go too far. They must find a balance, difficult as it is. It would not be practical to set a price for each Airpark fuel farm.

Vice-Chairman Washington said he is concerned that Southwest Jet could file a complaint with the FAA. He is not ready to make a decision.

Mr. Mascaro clarified that the FAA will not accept complaints from through the fence operators. Vice-Chairman Washington said he was referring to Proposition 207.

Commissioner Goode asked whether it would be possible to find a similar situation elsewhere. Mr. Mascaro said while Scottsdale is one of the more complicated and larger airparks, he was unsure how many there are in total. However, citing the FAA position on the Scottsdale Park'n'Ride, he said the FAA would not base a decision for Scottsdale based on what may have been allowed in the past elsewhere. The FBOs could complain to the FAA.

Commissioner Goode asked what the tax per gallon is on jet fuel. Mr. Mascaro said he believes it is about 8 cents per gallon. However there is also State jet fuel tax and a Federal jet fuel tax.

Vice-Chairman Washington suggested the Commission should have firm information on the tax rates before making their decision. Sharing this information with the Airpark businesses may influence their decisions. The Commission should also be clear on any potential liability with regard to Proposition 207.

Commissioner Bergdoll inquired about the City's position on price fixing. Mr. Frey said he has not looked at price fixing. Off the top of his head he did not believe that this would constitute price fixing as they would simply be setting a cap. Commissioner Bergdoll said at this point he is not convinced either way. He believes the fuel farms should cover their costs but not make any profit on fuel sales. The challenge is to determine what the cost is. Any profit on fuel sales may enable the operators to artificially lower their hangar fees. He did not feel that property devaluation was an issue because the rules exist and the properties should be valued based on what the existing rules are. Artificially low hangar fees hurt the City since the operators pay five percent of the hangar rental fees to the City. He wants to protect Airport operations.

Commissioner Schuckert said he has been involved with this issue for a long time. His company has managed a hangar and fuel facility for 18 years. He has been involved in aviation real estate. He said the fuel fee situation goes back before 1999. He can support the proposal except for the 25-cent upload charge, which is not sufficient.

Commissioner Casey said that overall the rewrite makes the Airport more competitive. He does not believe that the FBOs and the Airpark operators should be pitted against one another. He does not believe the City should be setting a cap on fuel prices. He understands that the FBOs feel threatened by the Airpark operators. He believes there should be a level playing field. Overall, they are very close to finalizing the regulatory rewrite. No one wants to lose Federal grant money. He agreed with Vice-Chairman Washington that they should approve the rest of the package tonight and revisit this issue at the next meeting. He believes the competition everyone should be concerned about is other local airports such as Deer Valley and Gateway.

Chairman Buzzard said he does not want to see the FBOs pitted against the Airpark businesses. The FBOs' May 28 letter to the Mayor and City Council was not necessarily helpful. It is important to work together as a team. His concern is the Airport's best interests over the coming years. He agreed with Commissioner Schuckert that they are very close at this point. All the arguments notwithstanding, it is important for the

Commission to be mindful of the legal interpretations of staff. He could support the proposal with the stipulation that work must continue on section 5-11 for a mutually beneficial final resolution to occur within a reasonable time frame. He has enjoined Southwest Jet to look for a solution and asked everyone else to look for one also.

Vice-Chairman Washington made a motion to recommend to City Council to adopt Resolution 8721, Ordinance No. 3950, amending Chapter 5, Aviation, in the Scottsdale Revised Code, Airport Rules and Regulations, Airport Minimum Operating Standards, Airpark Rules and Regulations, Airpark Minimum Operating Standards and the Scottsdale Airport/Airpark Rates and Fees Schedule, with the exception of Section 5-11, which would be considered at the next regular meeting of the Airport Advisory Commission. Commissioner Casey seconded the motion.

Commissioner Yates asked Mr. Mascaro if there is a deadline for the regulatory rewrite. She would prefer to forward everything to City Council at one time. Splitting the package up just draws attention to the section.

Mr. Mascaro explained that as no fee is involved, Section 5-11 can be ratified by the Commission. However at the outset of the process they decided to take the whole package to City Council. If the Commission can resolve Section 5-11 within 30 days it can still go to City Council as a full package on August 23. His personal challenge is that right now, technically he is not enforcing the rules.

Vice-Chairman Washington expressed willingness to amend his motion.

Chairman Buzzard said his preference would be to forward the full package to City Council. He is in favor of continuing discussion on Section 5-11 in order to find a very refined solution that would meet the needs of the Airport and the Airpark entities. He would put a priority and a time frame on this task.

Commissioner Schuckert requested that Chairman Buzzard elaborate on sending this forward with 5-11 to be determined by the Commission. Mr. Mascaro said this is up to the Commission. They can take more time to work on Section 5-11 and forward the whole package to City Council for action if they wish. There is no hard and fast time frame to take it to Council. He reiterated that they need to either enforce the rules in Section 5-11 as they currently stand, or modify the rules. This is why he would like to come to a resolution on this as soon as possible.

Commissioner Goode asked whether the Commission could accept Section 5-11 as it appears in the draft and change it later, since it would not have to go before Council. Chairman Buzzard said he believed they could, and further discussion and refinement of Section 5-11 could be on their next agenda. They are close and he believed they would find a solution that would benefit everybody.

Vice-Chairman Washington said that if the Commission sends the whole package to City Council, Mr. Mascaro will have to enforce the rules as written, which would mean that the Airpark operators would have the burden of the accounting practices detailed, while there is a possibility that the rules may change.

Mr. Mascaro said the new rules will not be in place until September 2. He asked the Commission for direction to enable staff to draft language for discussion at the next meeting. He also inquired about approaching the FAA. Chairman Buzzard said the Commission wants a scenario where the Airpark operators can cover their operating costs. He said Mr. Mascaro could discuss this briefly with the FAA.

Commissioner Yates said it is inherently dishonest to approve the entire package, knowing that they will be making changes to Section 5-11. She suggested setting up a subcommittee of the Commission to deal with this topic. Chairman Buzzard said a subcommittee is a good idea. However he did not feel that it was disingenuous to forward the package to City Council with the understanding that the Commission will revisit Section 5-11. It is about getting on the right path and making further refinements and adjustments.

In response to a question from Commissioner Bergdoll, Mr. Mascaro said there would be no impact to the timeline if the Commission approved the entire package in July. Commissioner Bergdoll urged waiting and working on Section 5-11 in the meantime so that the entire package can be forwarded to City Council. Commissioner Casey agreed. After brief discussion Vice-Chairman Washington said he would be willing to modify the motion on the table. Chairman Buzzard said they will revisit Section 5-11 next month, looking for a better solution for the Airpark entities to recover cost. He stressed that the Commission is relatively close to agreeing on this.

Chairman Buzzard said that there was no need for a motion for action. Vice-Chairman Washington's motion was not voted upon.

Mr. Mascaro summarized that the Commission will be looking at four scenarios at the next meeting:

- The existing rules
- The proposed changes to the rules
- Defining the direct operating costs
- For-profit fuel sales

At the suggestion of Mr. Frey, Vice-Chairman Washington made a motion to continue the discussion at the next regular meeting of the Airport Advisory Commission. Commissioner Goode seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

2. Discussion and Input regarding the Airport Commission Liaison Program'

Chairman Buzzard suggested tabling items 2 through 7.

Vice-Chairman Washington thanked staff for their hard work in preparing tonight's meeting.

Vice-Chairman Washington moved that items 2 through 7 be tabled until the next regular meeting of the Airport Advisory Commission. Commissioner Yates seconded the motion which carried by a unanimous vote of seven (7) to zero (0).

3. Discussion and Input Regarding Operations Report for May 2011

Tabled.

4. Discussion and Input regarding Monthly Financial Reports for April 2011

Tabled.

5. Discussion and Input regarding Marketing, Community, and Pilot Outreach Programs

Tabled.

6. Discussion and Input Regarding Airport and Airpark Aeronautical Business Permit Additions, Cancellations or Revocations

Tabled.

7. Discussion and Input Regarding Status of Aviation Items to City Council.

Tabled.

8. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Start Time, Schedule, ad/or Commission Item Calendar

Noting that there will be much to cover at the next meeting, Commissioner Goode suggested starting earlier. After discussion, the Commissioners agreed to start the July meeting at 5:00 p.m.

Commissioner Goode moved that the meeting of Wednesday, July 13 begin at 5:00 p.m. Commissioner Yates seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

Commission Summary of Current Events

Commissioner Yates reminded everyone that several years ago the Airport Advisory Commission directed staff to create a strategic business plan, partly because at that time Mr. Mascaro was doing a great job running Deer Valley Airport and Scottsdale did not want to lose its competitive advantage. The regulatory rewrite was part of that strategic business plan. It has been difficult and staff have done a wonderful job. She congratulated Mr. Mascaro on his presentation.

Vice-Chairman Washington said he and the other Commissioners are available to meet with any of the stakeholders. He is pleased that the Eagle statue has been reinstalled. He thanked staff, especially Ken Yosher, who had arranged a tour for his daughter's school.

Commissioner Bergdoll thanked Mr. Mascaro and his staff for all their hard work on the regulatory rewrite. He felt the Eagle statue looks better than before in its new location.

Commissioner Goode suggested miniatures of the Eagle could be a great souvenir for the Airport to sell.

Commissioner Schuckert said they are so very close to finalizing the rewrite. It is very positive that there is only one issue where agreement has yet to be reached.

Commissioner Casey concurred that staff have done a great job on the rewrite.

Chairman Buzzard said Air Fair preparations are progressing. The date is November 5. He enjoyed attending the Eagle dedication ceremony.

Future Agenda Items

None noted other than the further discussion of the regulatory rewrite as agreed in the meeting.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 9:07 p.m.

Respectfully submitted,

A/V Tronics, Inc. DBA AVTranz